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**Massachusetts Department of
Public Welfare**
Alexander E. Sharp, II, Commissioner

**Statistical Supplement
to the
Annual Report**

1234567

Fiscal Year 1976

Office of Research and Planning •



COMMONWEALTH OF MASSACHUSETTS
Department of Public Welfare

ALEXANDER E. SHARP, II
COMMISSIONER

DATE: 8/10/77

TO: Alexander E. Sharp, Commissioner
FROM: Martin Abramowitz, Assistant Commissioner
for Research and Planning
RE: FY 1976 Statistical Supplement to the Annual Report

As you know, throughout the year the Office of Research and Planning responds to requests for basic program information which come from other sections of the Department, as well as the Legislature, the Administration, the academic and advisory communities, and the general public.

Herold Doherty's "Statistical Supplement to the Annual Report" summarizes the major developments in caseload, expenditures, and services for the fiscal year.

This report "closes the books" on FY 1976, in a summary format which we hope will continue to be useful to staff and our various "information constituencies".

MA:mt

STATISTICAL SUPPLEMENT TO THE ANNUAL REPORT

FISCAL YEAR 1976

**Department of Public Welfare
Alexander E. Sharp, II
Commissioner**

**Office of Research and Planning
Martin Abramowitz
Assistant Commissioner**

**A Report Prepared by
Herold F. Doherty
Director of Research**

July, 1977



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PUBLIC WELFARE IN FISCAL YEAR 1976 IN STATISTICAL TERMSOverview

The report which follows will describe in statistical terms, using charts and tables, the number of cases and persons aided by the Massachusetts Department of Public Welfare, by program, over time and the expenditures made by the Department for the persons and cases aided. The analysis will include comparisons with past data and comparisons with other programs and states during the same time span, usually Fiscal Year 1976, and the reasons for the change and differences. The complete report is designed to inform the interested citizen and administrator and to serve as a useful source of welfare data for other agencies, both government and private, when used in conjunction with the Department's Annual Report.

Expenditures

Total expenditures for public welfare in Massachusetts in Fiscal Year 1976, after adjustments, were \$1,310,713,335. Of this sum, 46.6 percent was for Assistance Payments, 41.5 percent for Medical Services and Supplies, 5.6 percent for Administration and 6.3 percent for Social Services, including child welfare.

Compared to the year before, total expenditures were up 46 million dollars or 3.6 percent. Of the total over half was reimbursed by the Federal Government in the form of matching funds or Revenue which reached 700 million dollars in Fiscal Year 1976. If the total expenditures were adjusted for price changes we find that they did not increase as fast as prices as measured by the Boston Consumers Price Index.

Expenditures (cont.)

Expenditures for all programs combined have continued to increase each year as the caseloads continue to increase, as well as prices. While 774.2 million dollars was spent for all programs in Fiscal Year 1972, (not including Social Services and Administration), over 1,150 million dollars was spent for the same programs four years later or in Fiscal Year 1976.

Of all the major programs, Medical Assistance is the largest in money terms. Compared to the year before, expenditures under this program were up 8.4 percent or 42.1 million dollars and this program had the greatest increase in expenditures over the past five years, as well as in percentage terms. Perhaps the most significant change was the decline in General Relief expenditures, which fell back to the level they were in Fiscal Year 1974, (almost 82 million dollars), from the 111.7 million dollars expended in Fiscal Year 1975.

In conclusion, it was found that expenditures, while increasing slightly, did not rise in percentage or absolute terms to anywhere near the level that would be expected based on the increases over the past five years.

Caseloads

In Fiscal Year 1976 all the programs except General Relief and the Aged Medical Only program had an increase in the number of cases aided. The largest increase, in percentage terms, was found in the program for Medically Indigent children under 21 years old, with an increase of 32.8 percent. Other large percentage increases were reported for the AFDC Related Program, (up 26.6%) and the Disabled SSI cases, (up 21 percent). The increase in caseload for all programs was 17,330 cases or 5.2 percent.

Caseloads (cont.)

The decline in the number of General Relief cases was 8,887, on the average, each month in the fiscal year, or a 23.6 percent drop for the year. This reflects the elimination of aid for single employable persons under the General Relief program. The only other decline was reported for the Aged M.A. Only caseload which fell just under 1 percent or 327 cases, on the average, each month.

In absolute terms the total number of cases aided each month averaged 331,305 each month in Fiscal Year 1975 and 348,635 each month in Fiscal Year 1976. This meant a net gain of 17,330 cases each month. The AFDC caseload was the largest of the many programs in Fiscal Year 1976 with 110,723 cases aided each month, on the average. This was 6,657 more cases aided each month than in Fiscal Year 1975.

The Aged SSI monthly average caseload was 80,500 in Fiscal Year 1976 or up 3,725 cases from the prior years average while the Disabled SSI monthly average caseload increased 8,145 cases from the preceding year to 46,959 cases.

In contrast to these increases in caseload, the caseload aided under the General Relief program fell from 37,692 to 28,805, or 8,887 cases.

In June 1976 it was found that the largest total caseload was found in the Greater Boston region with 47,597 cases closely followed by the Boston Region with 46,368 cases. Only recently has a region other than Boston had the highest caseload. In June 1975 the highest caseload was found in Boston Region where 23.6 percent of the clients were aided. In June 1976, Greater Boston had 22.5 percent of the cases, The City of Boston only 22 percent of the total caseload.

Medical Assistance

Total Medical Assistance reached \$578 million in Fiscal Year 1976 with an additional \$44.3 million in medical services for welfare cases provided by other state departments. Of this total, all but 31.1 million dollars was matched on a 50-50 basis by the Federal Government.

Compared to the year before, the Department's expenditures for medical care were up only 6.5 percent or 35.4 million dollars. This increase was due to additional services for the retarded and higher rates for institutional care, not offset by the reduction in the medical services to General Relief cases, the reduction in physicians' fees and limits to care in acute facilities.

Payments to Acute and Chronic hospitals accounted for 232 million dollars and over 37 percent of the total medical expenditures. This was down slightly from the year before. Other institutional care accounted for another 223 million dollars so that together inpatient care accounted for 455 million dollars or 73 percent of the total expenditure for medical care.

The eligible caseload increased from an average of 340,773 per month in Fiscal Year 1975 to 343,635 in F.Y. 1976. The largest percentage of the total eligible caseload was also receiving AFDC benefits (110,723) while 80,500 cases were Aged SSI recipients. The average monthly medical payment made for these cases ranged from \$458.69 for an Aged Medical Only Eligible case to \$54.06 for an Aged SSI eligible case; (who also have Medicare).

Of these eligible cases, each month, the Department made at least one medical payment for 381,886 persons. The average payment was \$123.34, in Fiscal Year 1976, per month. There was great variation in the average

Medical Assistance (cont.)

payment for recipients from program to program, with the Aged Medical Only cases having the highest at \$538.06. The average payment per recipient each month for the family cases was between 53 to 61 dollars with the highest (\$60.51) for children in medically indigent families.

For all the programs, of the average number of eligible recipients each month, (618,065 people in 343,635 cases), an average of 381,886 persons had at least one medical payment made for them each month or 61.8 percent of the eligible persons. Only half of the Aged SSI eligible recipients; 56.8 percent of the Disabled SSI recipients; and 62.4 percent of the AFDC eligible recipients had at least one payment made for them by the Department in F.Y. 1976. The percentages for Medical Only cases were much higher and ranged from 85.2 percent of the Aged MA Only clients to 59.3 percent of the AFDC related eligible recipients.

Expenditures for Medical Care in Massachusetts, based on the data for June, 1976, were the seventh highest in the nation, while in June 1975 they were the fourth highest. At \$54.4 million they were only about a fifth of the payments in New York (\$244 million), a third of the payments in California (\$187 million), but more than half of those in the other four states with expenditures for Medical Care larger than those in Massachusetts.

Income Maintenance

The number of persons being aided under the AFDC program increased 3.2 percent from Fiscal Year 1975 to Fiscal Year 1976 while the number of persons aided under the General Relief program fell dramatically in the same time period or over 25 percent. Over the year, the number of

Income Maintenance (cont.)

Public Assistance cases purchasing food stamps fell slightly from 110.4 thousand in July 1975 to 107.1 thousand in June 1976) while the number of Non-Public Assistance Food Stamp cases increased over the year and reached a high point in April 1976 with 92.2 thousand cases. By June 1976 the caseload was down to about 90 thousand cases, however.

The number of SSI Aged cases began to level off in the fiscal year while the number of Disabled SSI cases continued to increase over the year and the average number of Disabled SSI cases per month in Fiscal Year 1976 was up 21 percent from the average number the year before.

To explain these contrasts in more detail we find that General Relief expenditures and caseload declined about 25 percent from 1975 to 1976, (Fiscal Years), due to the elimination of assistance for employable General Relief recipients and the elimination of medical care for about half the year for General Relief recipients. Only twice in the last 9 years has the average monthly GR caseload declined from the prior year, (The caseload also fell in Fiscal Year 1973). Compared to other states in the nation the average payment for a General Relief recipient in Massachusetts is still relatively high and only two other states, New York and Hawaii had a higher average payment in June, 1976.

The average monthly caseload being aided under the AFDC program increased 5.5 percent or 5,800 cases each month in Fiscal Year 1976 compared to Fiscal Year 1975. Total payments only increased 4 percent despite the implementation of a Consolidated Grant system and program changes due to the settlement of legal disputes.

Income Maintenance (cont.)

Compared to earlier years the increase in caseload and expenditures was relatively modest and even more so when the Unemployed Father segment of the total caseload alone increased 42.9 percent, year to year. The caseload increase in Fiscal Year 1976 was the smallest ever, in percentage terms, since the Commonwealth assumed administration of the AFDC program in 1968.

The total number of persons being aided under the Supplemental Security Income Program only increased 10.3 percent from Fiscal Year 1975 to Fiscal Year 1976. This includes both the Aged and Disabled components.

At the same time the caseload was increasing, the total state expenditure for these cases actually declined 6.9 million dollars or from 112 million dollars in Fiscal Year 1975 to 105.1 million dollars in Fiscal Year 1976. This decline was due to accounting adjustments and lower average grants paid to recipients due to an increase in their resources such as social security and veterans' payments.

The average payments fell 14.9 percent from year to year, (from \$80.75 per month in 1975 to \$68.72 in 1976). The overall caseload increased 10.3 percent but there was a great difference between the Aged segment and the Disabled segment of the total SSI caseload. The Aged portion had an increase from F.Y. 1976 of only 4.9 percent while the Disabled portion had an increase of 21 percent. This brought the average monthly caseload for the Aged to 80,500 and the caseload for the Disabled to 46,959, in Fiscal Year 1976.

Food Stamps

While the total value of food stamps issued remained relatively stable each month in Fiscal Year 1976, between 26 and 27 million dollars, the Bonus Issuance or difference between the cost to the clients and the value increased in the later months of the fiscal year. For the year, almost 320 million dollars in food stamps was issued at a cost to the recipients of \$155.0 million with a bonus value of 163.6 million dollars. An average of 109,000 Public Assistance cases and 88,138 Non-Public Assistance were authorized to purchase food stamps each month during the year.

Social Services

Social Service expenditures increased approximately 21 million dollars in F. Y. 1976 from the Fiscal Year 1975 level and were in total, just under 82 million dollars.

The largest portion of the expenditure or 42 percent was for the care and maintenance of children but an additional 22 million dollars or 26.9 percent was for Day Care and 12.5 million or 15.2 percent was for services to the Aged and Disabled, mostly in the form of Homemakers and Chore Services. Therefore these three major groupings accounted for over 80 percent of the total expenditures for Social Services. These figures however do not include the administration of the Social Service programs, only the Direct Costs such as the purchase of day care through contracts, payments to foster mothers and institutions caring for children and vendor payments to Homemaker and Chore Service agencies, as examples.

Compared to the previous Fiscal Year, 1975, expenditures for Care and Maintenance were up about 4 million dollars, Day Care about eight million dollars and Services to the Aged and Disabled almost doubled and were about 10 million dollars higher in 1976 than in 1975.

Social Services (cont.)

Expenditures for tuition and transportation were lower but almost all of the other categories of social service expenditures showed an increase over the preceding year.

Almost all the increase in Care and Maintenance can be attributed to higher board payments which are the payments made for children under the Department's care, living in foster homes or in group care settings. The only other increase of the six major categories was for clothing, with an increase of four percent or 84 thousand dollars in the year. Child Welfare Services have continued to rise each year with the single exception of Fiscal Year 1973 when expenditures were 1.5 million below those of F. Y. 1972.

Administration

Total administrative costs were just under 73.6 million dollars in Fiscal Year 1976 or an increase of only \$2.6 million from Fiscal Year 1975. In percentage terms the increase was 3.5 percent. Compared to Fiscal Year 1975, expenditures for regular administration were down almost half a million dollars to \$57.2 million, as the number of employees declined.

The overall increase was due, to a large extent, in the administrative costs associated with the Food Stamp program. Due to the large food stamp caseload increase, administrative costs advanced from \$4.4 million in 1975 to \$6.1 million in F. Y. 1976. Administrative expenditures for the Vendor Payment System also increased from 5.3 million to 6.4 million or almost 20 percent. Other administrative costs remained about stable although the Child Support Enforcement Unit required an additional 250 thousand dollars and the Hospital Admission Surveillance System had an expenditure decline of 300 thousand dollars.

Administration (cont.)

The number of staff positions filled declined slightly when June 1976 is compared to June 1975; 5,539 compared to 5,486 or a drop of 53 employees. The total number of positions authorized actually increased by 69 but the positions vacant also increased.

Most of the staff was employed at the local level, (only 14.5 percent were employed at the Central Office), serving the clients directly. The largest percent of the employees were working in the Boston Region (19.4%) followed by Greater Boston (17.8%) and the Central Office (14.5%). The ratio of cases to total employees, (excluding Food Stamp cases), in 1976 was 63.5 to 1 whereas in Fiscal Year 1975 the ratio was 59.8 cases per employee. Of course not all the employees deal directly with the cases.

Sources of Data

Monthly Summary Expenditure Report: A computer printout giving the expenditures by program for direct payments, including the quarterly grant. This report also gives the unduplicated count of cases and recipients. All data broken down by region and local welfare service office, in this summary for 1976, are from this report.

Status of Appropriation Account: Financial report of the Department on a monthly basis giving expenditures, encumbrances and balances in the Appropriation Accounts.

Consumer Price Index: Series published by the U.S. Department of Labor, Bureau of Labor Statistics, Quarterly, for Boston, showing changes in price levels for goods and services purchased by a defined family.

RS-1 Series: A series of reports, manually produced and processed, from data submitted by the local offices prior to April 1972.

Public Assistance Statistics: Report A-2, June 1975 and 1976, published by the Department of Health, Education and Welfare, National Center for Social Statistics.

Medical Vendor Payments System Reports: A report, in existence since October 1973, giving the medical vendor payments, by month, by program, by vendor for each Welfare Service Office, Regional Office and State and including most but not all, medical vendor payments. (RSVP-07)

Revenue by Fiscal Year: Actual and Estimated Revenue of the Department described on an unnumbered form prepared by the Finance Division of the Welfare Department.

Raymond Trial Balance Book, Fiscal Year 1976: Trial Balance Account Book gives expenditures and accounts payable by object code for Child Welfare Statistics (Expenditures) and must be reconciled to the Status of Appropriation Accounts.

Food Stamp Accumulated Monthly Totals: Printout of Food Stamp Caseload, Total Value of Stamps Authorized and Total Purchase Price, Massachusetts Department of Public Welfare, Fiscal Unit (FSP055)

Daily Reorganization of File Report: This report gives the number of cases on the Master File each working day by program. When averaged it gives the daily average caseload for the state. Used in this report for AFDC and General Relief state case count.

CASELOAD AND EXPENDITURES

Total Expenditures - Fiscal Year 1976

In the Fiscal Year 1976 total expenditures by the Massachusetts Department of Public Welfare were \$1,265,424,715. After adjustments were made for encumbrances, (1976 appropriated funds not distributed in the 1976 Fiscal Year), and accounts payable, (1975 appropriated funds paid out in the 1976 Fiscal Year), Total Expenditures were \$1,310,713,335. This Grand Total figure can somewhat arbitrarily be broken down into four major segments as follows:

Income Maintenance Public Assistance	\$610,895,606 ^{a/}
Medical Services and Supplies	544,237,517
Administration, including Food Stamp	73,593,082
Social Services, including Care and Maintenance	<u>81,987,130</u>
Grand Total	\$1,310,713,335

The various sections that follow in this report will treat each of these major segments in turn. Compared to the previous fiscal year the adjusted total expenditures were up slightly; about 46 million dollars or 3.6 percent compared to an increase of 18.1 percent in Fiscal Year 1975 over Fiscal Year 1974. Although total expenditures, before adjustment, actually declined in Fiscal Year 1976, the Accounts Payable of over \$130 million dollars more than offset the 85.5 million dollars encumbered from the 1976 Appropriation.

^{a/} Includes General Relief Medical Payments.

The accounts payable portion included over 25 million dollars for prior years medical, AFDC and GR claims as well as claims for the Care and Maintenance and Tuition and Transportation (to schools) Accounts in prior years.

Before we analyse the year to year expenditure changes by program we should consider at least two factors that affect those changes; the increase in prices as reflected by the Consumer Price Index and Federal Reimbursement for expenditures which, along with other income such as support payments, is described as revenue.

Revenue Estimates for Fiscal Year 1976

For Fiscal Year 1976, the Massachusetts Welfare Department received just under 700 million dollars in revenue from various sources with over 95 percent of the revenue from the Federal Government.

By far the largest percentage of the total revenue was in the form of matching funds with the federal share based on the total expenditure under a particular program. An additional 22 million dollars was received for child support from fathers of children receiving aid and over 1.5 million dollars was received from agencies participating in the Donated Funds Program.

The Federal Government, under the matching formula, reimburses the state for 50 percent of most administrative costs and the same percent for expenditures under the Aid to Families with Dependent Children Program. Most Social Services, (except a large part of Child Welfare Expenditures), are matched at 75 percent. There is no federal matching for expenditures under the General Relief Program or the two Supplemental Security Income Programs (Aged and Disabled). Expenditures by the Commonwealth for SSI are made after the Federal Government has distributed the total SSI payments, including their share.

The table on the next page describes the revenue for Fiscal Years 1975 and 1976 with the percent change by program. The increase of almost 40 percent and 200 million dollars was due to extraordinary circumstances and is not likely to be repeated in the coming years. It can be seen however that the total revenue is more than half the total expenditures for the fiscal year 1976. Some of the reasons for

MASSACHUSETTS DEPARTMENT OF PUBLIC WELFARE

**Revenue, Fiscal Years 1975 and 1976
and Year to Year Percent Change, By Program
Massachusetts
(In thousand dollars)**

<u>Program</u>	<u>Revenue 1975</u>	<u>Revenue 1976</u>	<u>Percent Change</u>
Assistance Payments	185 404	228 025	+ 23.0
Social Services	46 430	70 172	+ 51.1
Medical Assistance	256 588	352 090	+ 37.2
Food Stamps	107	5 531	+ 416.9
Child Support	-	22 269	
Donations for Services	1 090	1 687	+ 54.8
Miscellaneous and Other	5 890	13 017	+ 121.0
Total, All Revenue	496 460	692 790	+ 39.5

Source: General Revenue Statement, Division of Finance

the large increase is the way support payments from absent parents is treated, (before 1976 they were deducted from total expenditures rather than added to revenue), and the increase in Food Stamps revenue reflects the introduction of that program as a Revenue Account in Fiscal Year 1976. The 5.5 million dollars received was reimbursement for funds used to administer the Food Stamp Program, which was separated out beginning in July 1975. The bonus value of Food Stamps or difference between what the clients pay for the stamps and the value of the stamps is borne by the Federal Department of Agriculture. Other large revenue increases show the effect of more efficient accounting practices and claiming for federal funds. These were in effect on a permanent basis in Fiscal Year 1976.

Estimated Payments after Price Adjustments

To show the effect of price changes on total welfare expenditures the chart appearing on the next page has been prepared.^{1/}

Using the Consumer Price Index for Boston, the total Medical and Assistance Payments have been adjusted to give an estimate of what total expenditures would have been if price increases had not taken place.

With a base of 1967, (when the CPI was 100), and payments for Medical Services and Assistance Payments were 259 million dollars, we find that if prices did not rise, the expenditures for the same programs in Fiscal Year 1976 would be expected to be about 650 million dollars or down significantly from the 725 million dollars that would have been expected for the prior Fiscal Year 1975.

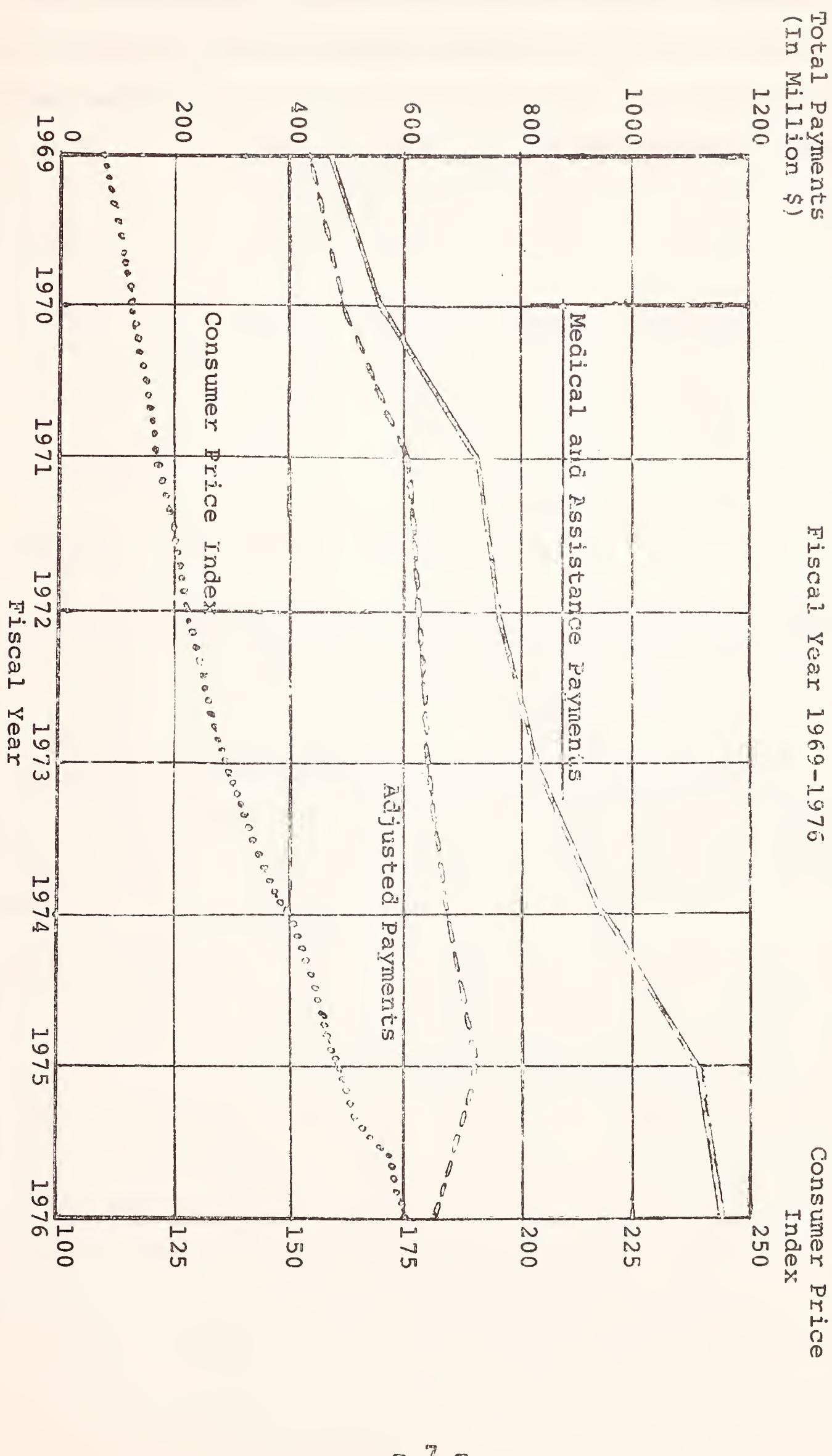
Expenditures continued to increase each year at a rate higher than the price index would indicate, especially in the Fiscal Years 1969-1971. Since 1972 however, total expenditure has increased at a rate only slightly higher than the rise in prices and in Fiscal Year 1976 the percentage increase in expenditures was actually below the percentage increase in prices. In the past year prices increased 10.2 percent from January to January while the adjusted welfare expenditures declined 10.3 percent. Actual Expenditures increased 1.9 percent for the programs included.

The rise in prices greatly influences the cost of providing public welfare and in the cost of services provided by vendors. In addition

1/ Administration, Social Services and the Cuban Relief Program Expenditures are excluded.

MASSACHUSETTS DEPARTMENT OF PUBLIC WELFARE

Boston Consumer Price Index and Payments
Adjusted for Price Changes



Source: Payment Data from Status of Appropriations Reports - RSI Adjusted
Price Index - U. S. Dept. of Labor, Bureau of Labor Statistics

to creating pressure to raise assistance grants, inflation also is the direct cause of the higher payments made to medical vendors, such as hospitals and nursing homes, as well as other vendors for services and supplies.

TOTAL EXPENDITURES BY PROGRAM - FISCAL YEARS 1972-1976

(In Million Dollars)

<u>Programs</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
All Programs	774.2	827.5	968.4	1132.6	1155.1
Medical Assistance	348.5	371.0	459.7	502.1	544.2
Aid to Families with Dependent Children	239.8	286.2	323.4	405.5	421.7
General Relief	55.3	51.9	82.0	111.7	82.3
Refugee Programs	2.2	1.9	1.5	1.3	1.8
Supplemental Security ^{2/} Income	-	-	54.7	112.0	105.1
OAA and DA Combined	128.4	116.5	47.1	-	-

1/ Social Service and Administrative Expenditures are excluded from Table.

2/ Program began January 1, 1974, State Supplement Only - not total aid received.

Total Expenditures by Program - Fiscal Years 1972-1976

Over the five year span from 1972 to 1976, total expenditures for all public assistance programs have increased each year, although individual programs experienced great variations.

The largest increase over the five year span, in percentage terms, was for the Medical Assistance program where expenditures increased almost 76 percent, due in large part to higher costs per unit of service given. Likewise the greatest increase in actual dollars was for Medical Assistance with an increase of almost 200 million dollars from FY 1972 to FY 1976. Expenditures in total and for Medical Assistance and AFDC continued to climb each year, while expenditures for General Relief fluctuated. The chart on the next page further illustrates the dynamics of the programs in dollar terms.

Total Expenditures by Program - Fiscal Years 1972-1976 (cont.)

Expenditures for the aged and disabled in Fiscal Years 1972 and 1973 and half of FY 1974 were made under the Old Age Assistance and Disability Assistance programs and are given as amounts before Federal matching of 50 percent. In the past two and one-half years assistance to the aged and disabled was given by the Federal Government directly through the Supplemental Security Income program and the expenditures reported are just the Commonwealth's portion of the payments. While the state's portion increased in 1975 it declined in 1976 for both programs combined but it is still actually higher than the state's portion in either FY 1972 or FY 1973. Total payments in FY 1976 were about double those in Fiscal Year 1970 with the AFDC program showing the greatest increase in percent and actual dollars over that seven year span.

MASSACHUSETTS DEPARTMENT OF PUBLIC WELFARE

TOTAL PAYMENTS BY PROGRAM

Fiscal Years 1967-1976

(In Million \$)

<u>YEAR</u>	<u>ALL PROGRAMS^{1/}</u>	<u>OLD AGE-SSI^{2/}</u>	<u>MEDICAL^{3/} ASSISTANCE</u>	<u>AFDC</u>	<u>DISABILITY^{2/} ASSISTANCE-SSI</u>	<u>GENERAL^{4/} RELIEF</u>
1967	258.7	50.1	112.7	69.4	16.1	10.4
1968	358.8	47.6	189.9	91.7	15.9	13.7
1969	452.5	56.4	226.9	128.1	19.7	21.4
1970	564.0	77.0	252.9	172.8	25.2	36.1
1971	724.2	85.3	304.8	245.1	32.4	56.6
1972	772.0	91.3	348.5	239.8	37.1	55.3
1973	825.6	71.5	371.0	286.2	45.0	51.9
1974	966.9	61.0	459.7	323.4	40.8	82.0
1975	1131.3	72.8	502.1	405.5	39.2	111.7
1976	1153.3	*	544.2	421.7	*	82.3

* Total SSI Payment - State Supplement - \$105.1 million for Aged and Disabled.

1/ Does not include Refugee Programs, Social Services or Administration including Food Stamps.

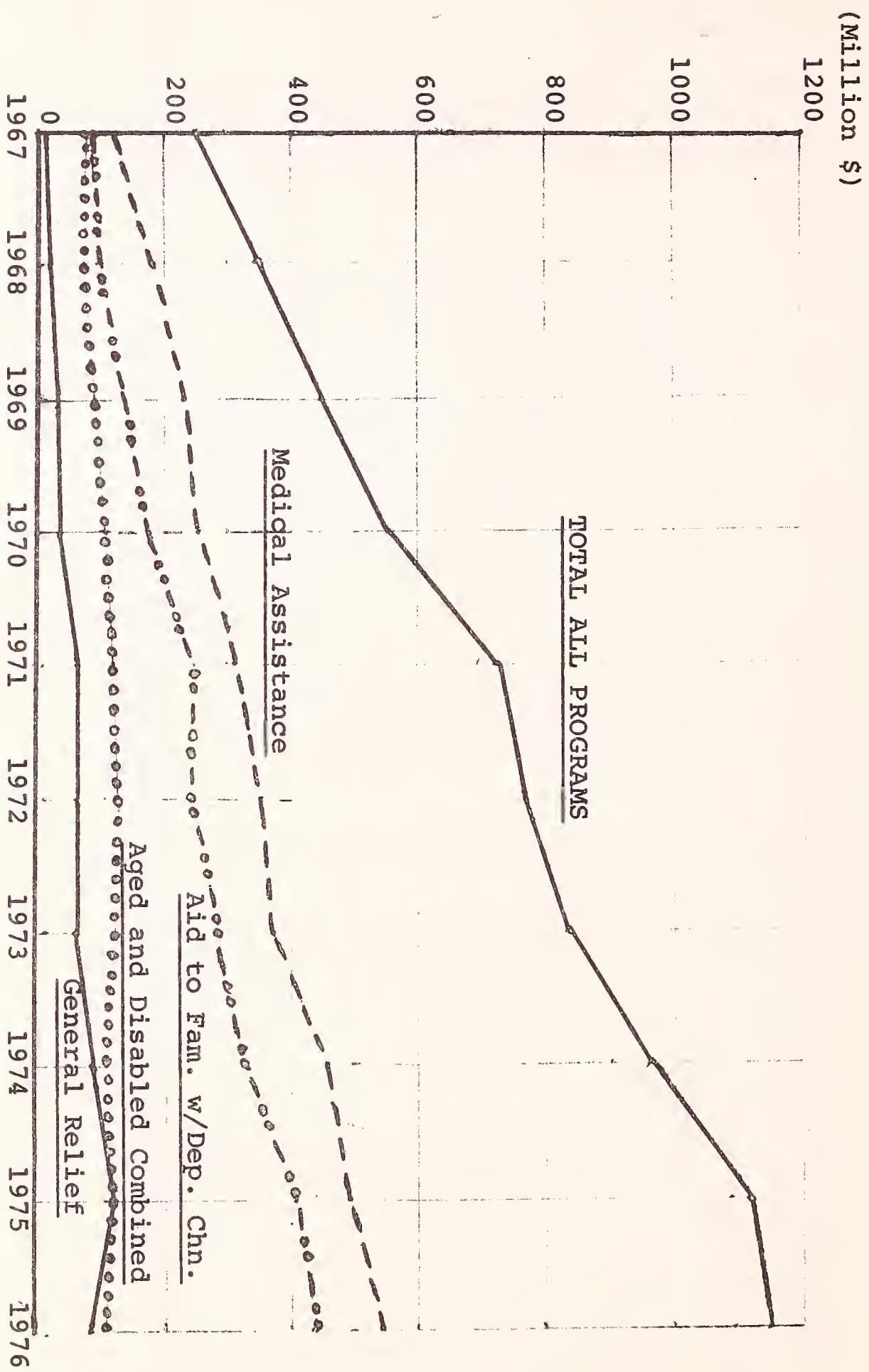
2/. Programs of OAA and DA transferred into Supplemental Security Income Program January 1, 1974. Payments given are total Federal and State till January 1, 1974. Payments after that date are State Supplement Only and do not include the Federal payment.

3/ 1967 data includes 2 months (July and August) of MAA payments.

4/ General Relief includes both Direct Payments and Medical Vendor as well as Non-medical Vendor Payments.

MASSACHUSETTS DEPARTMENT OF PUBLIC WELFARE

Expenditures by Program, Fiscal Years 1967-1976



Source: RSI Data (1967-1972), Status of Appropriations (1973-1976)

Expenditures By Program and Percent Change
Fiscal Years 1975-1976
(In Million Dollars)

<u>Program</u>	<u>F.Y. 1975</u>	<u>F.Y. 1976</u>	<u>Difference</u>	<u>Percent Change</u>
All Programs	1132.6	1155.1	+ 22.5	+ 2.0
Supplemental Security Income Program	112.0	105.1	- 6.9	- 6.2
Medical Assistance	502.1	544.2	+ 42.1	+ 8.4
Aid to Families with Dependent Children	405.5	421.7	+ 16.2	+ 4.0
General Relief	111.7	82.3	- 29.4	-26.3
Refugee Programs	1.3	1.8	+ 0.5	+38.5

Source: Status of Appropriation Accounts June 1975 and 1976; adjusted for Accounts Payable and Encumbrances.

Expenditures by Program and Year to Year Percent Change, F.Y. 1975 & 1976

Compared to Fiscal Year 1975, total public assistance expenditures in Fiscal Year 1976 increased only 22.5 million dollars or 2 percent. The increase in 1975 over 1974 was 17 percent and 164.2 million dollars. The table above shows that the largest increase in dollar terms was for the Medical Assistance program, (42.1 million), reflecting the large increase from the year before in vendor payments for prior years and the effects of inflation on rates paid for institutional care such as hospitals and Nursing Homes.

In percentage terms the largest year-to-year increase was for the refugee programs where a large number of Vietnamese and Cambodians were being aided after the war subsided in their homelands. More important was the large decline in expenditures for General Relief, as the single employable clients were no longer eligible (about one-third of the caseload) and the types of medical services provided were reduced. Medical expenditures increased over 8 percent and AFDC payments only 4 percent, from year to year.

Average Monthly Caseloads by Program, Fiscal Years 1975 and 1976

The total average monthly caseload increased only 17,330 cases and 5 percent from 1975 to 1976. In percentage terms the particular program with the greatest increase was the Medical Only for Children under 21 years old, Program, (up 32%), and in absolute terms the Disabled SSI program, (up 8,145 cases).

The most significant change in 1976, in numbers if not in percent, was the decline in the General Relief Program Caseload which fell an average of 8,887 cases throughout the year and was 23.6 percent lower than the average 1975 caseload. This change resulted from the change in eligibility requirements that precluded "employable," single persons from receiving assistance. The Aged Medical Only Caseload also fell slightly while all the remaining programs experienced caseload increases. In percentage terms the AFDC Related Caseload (Medical Only) was up 26.6 percent, the Disabled SSI caseload was up 21 percent with the total Medical Only caseload up 10.4 percent.

The caseloads on the table above can be described as the average number of cases in the month who actually received assistance (emergency, supplementary or a regular grant) for each working day or in the case of the Medical Only Programs the daily average number of cases who were eligible to receive medical assistance.

In the total caseload, the refugee and Food Stamp Programs are not included but in the Fiscal Year 1975 an average of 278 cases under the refugee program received assistance each month and in Fiscal Year 1976; 354. The Non-public Assistance Food Stamp Program Caseload was 87,932 in Fiscal Year 1976 each month but as the program was not

**Average Monthly Caseload and Year to Year
Change in Number and Percent, Fiscal Years 1975 and 1976**

<u>Program</u>	<u>F.Y. 1976</u>	<u>F.Y. 1975</u>	<u>Difference</u>	<u>Percent Change</u>
Aged (SSI)	80 500	76 775	3 725	+ 4.9
Aid to Families with Dep. Children	110 723	104 066	6 657	+ 6.4
Disabled (SSI)	46 959	38 814	8 145	+21.0
General Relief	28 805	37 692	- 8 887	-23.6
Medical Assistance Only				
Aged	41 173	41 500	- 327	- 0.8
AFDC Related	8 101	6 400	1 701	+26.6
Disabled	7 935	7 510	425	+ 5.7
Children under 21	24 439	18 548	5 891	+31.8
Total, All Programs^{1/}	348 635	331 305	17 330	+ 5.2

^{1/} In addition there was an average of 87,932 Non-Public Assistance Food Stamp Cases each month in Fiscal Year 1976, (1975 data was incomplete), and approximately 350 cases receiving assistance under the Refugee Programs.

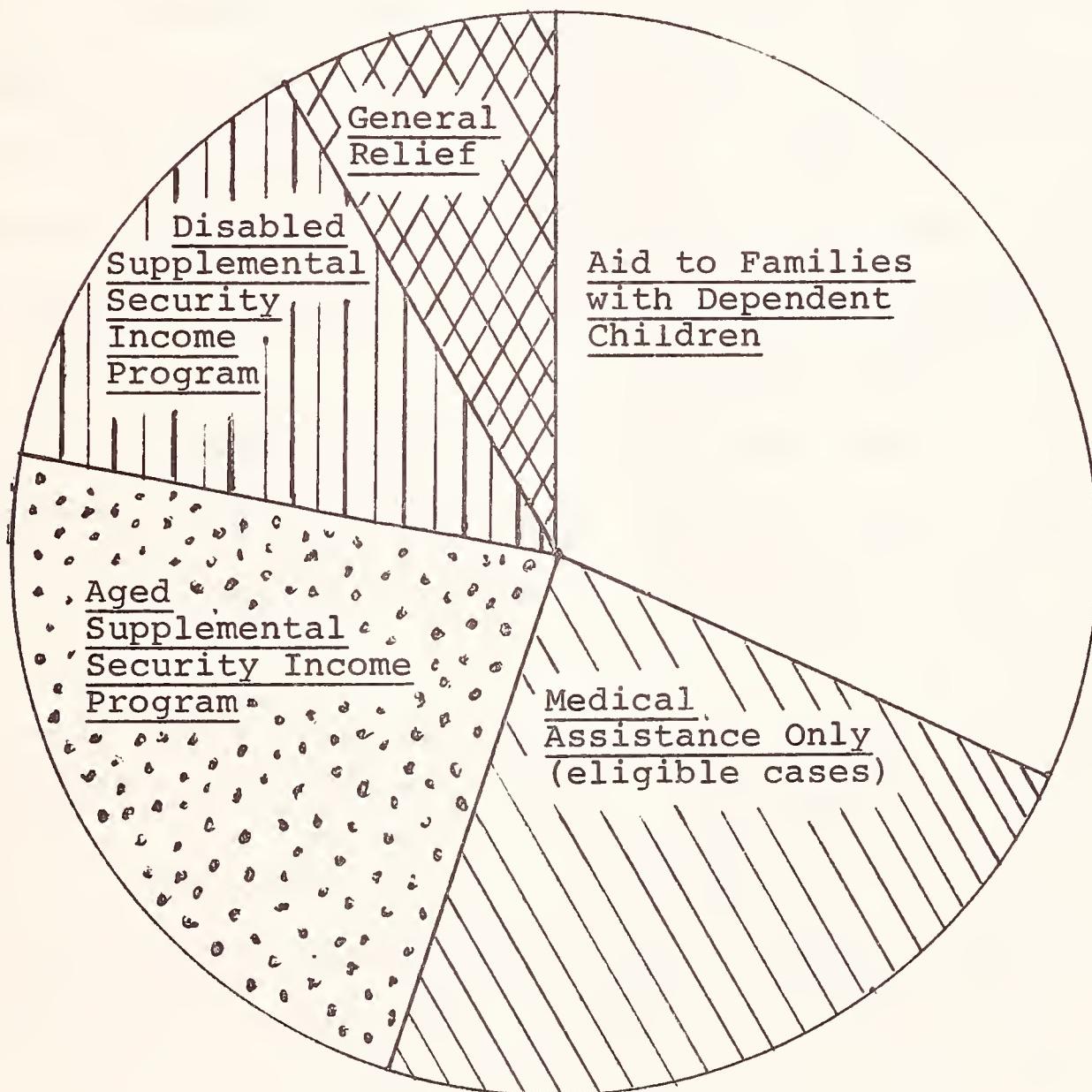
Source: For reasons of comparability the caseload are the average number of cases reported on the Daily Reorganization of the File Report except SSI (Data from 8700 report) and Food Stamp data from the Weekly Status Report.

implemented completely in Fiscal Year 1975 and growing from a zero base, average data for Fiscal Year 1975 is incomplete. If these two programs were added to the total Fiscal Year 1976 caseload monthly average we would have a total of 436,917 cases being assisted or eligible for assistance each month with approximately 700,000 recipients; children and adults.

MASSACHUSETTS DEPARTMENT OF PUBLIC WELFARE

DISTRIBUTION OF PUBLIC WELFARE CASELOAD BY PROGRAM

FISCAL YEAR 1976



TOTAL AVERAGE MONTHLY CASELOAD: 348,834^{1/}

1/ Cuban Relief, Food Stamp and Social Service Caseloads Omitted.

Source: Reorganization of File Reports (MA, GR & AFDC)
SSI Caseloads from 8700 Report

Distribution of the Public Welfare Caseload by Program, F.Y. 1976

The chart preceding this section shows that the largest proportion of the total caseload was under the Aid to Families with Dependent Children Program. If the chart was based on recipients or people receiving assistance, the section allotted to AFDC would be even greater as the average AFDC case includes about 3.2 persons.

In Fiscal Year 1976 the second largest caseload was under the Medical Assistance Only Program which had the third largest caseload in 1975, the year before. The Medical Assistance Only caseload is composed of cases found eligible to receive medical assistance but they are not eligible to receive direct payments for maintenance needs on an ongoing basis.

Although under the Aged and Disabled sections of the program a case is one person, the cases described as related to AFDC and children under 21 in medically indigent families, usually include more than one person.

The third largest caseload was under the Supplemental Security Income Program for the Aged. This includes persons over 65 years old who are aided by the Commonwealth through the Federal Social Security Administration systems. The fourth largest caseload is likewise administered under this system and the Disabled portion of SSI was growing rapidly over the 1976 fiscal year.

Because of changes in eligibility, the General Relief Program caseload, that in 1975 was the fourth largest, now has the smallest number of cases among the major programs. Basically this program, totally financed by the State, is for the temporally disabled, incapacitated or ill and no longer contains persons who could be described as employable beginning in the early winter of 1975. As the caseload

declined and the number of SSI Disabled cases increased the relative position of the two caseloads switched. All the cases in all the programs or major segments, with the exception of General Relief, were eligible to receive comprehensive medical care most of which was matched at 50 percent by the Federal Government. (GR cases received state financed medical services for part of the year.)

Certain caseloads have been omitted from the chart to make the chart simple and clear. The refugee programs, (Cuban, Vietnamese and Cambodian), and children under the Division of Children and Family Services, (Foster children mostly), have relatively small caseloads. The Food Stamp program overlaps the Public Assistance caseload as do the number of cases eligible for and receiving social services.

Caseload By Program By Region

June 1976

<u>Region</u>	<u>Program</u>					
	<u>AFDC</u>	<u>GR</u>	<u>MA-Aged</u>	<u>MA-AFDC</u>	<u>MA-DA</u>	<u>Under 21</u>
Boston	27,366	7,798	5,971	1,039	1,402	2,792
Springfield	16,794	3,058	4,790	1,210	950	3,422
Worcester	12,035	1,237	4,608	734	1,007	2,697
Lawrence	13,676	1,977	6,482	1,360	1,140	2,963
Greater Boston	22,404	3,794	12,166	2,074	2,419	4,740
New Bedford	20,106	2,557	6,830	1,805	1,225	4,034
 All Regions	 112,381	 20,421	 40,847	 8,222	 8,143	 20,648

Source: AFDC and GR - CAER Report - June 1976

Medical Only - MSER Report - June 1976

Caseload by Program by Region - June 1976

The table above shows a regional breakdown of the caseload for the last month of the 1976 fiscal year and is included to show the relative size of the regions in terms of caseload, by type.

Compared to earlier periods significant differences in caseload dispersion among the regions can be discerned. There continues to be a shift away from the City of Boston, in percentage and absolute terms, (Boston has a smaller caseload than a year earlier for every program except Medical Only Disabled and a smaller percentage of the total caseload for the AFDC, MA-DA, MA-AFDC, and MA-Aged programs).

As a percent of the total AFDC caseload, the caseload in the Boston Region fell while the percent accounted for by every other region increased. In June 1975 the Boston Region had 25.5 percent of the total AFDC cases but in June 1976 it only had a 24.4 percent of the AFDC cases. The percent of total cases accounted for by the Springfield and Worcester Regions increased to the point where the Springfield Region accounted for 14.9 percent of the cases, whereas a year earlier the region only accounted for 9.2 percent of the total AFDC cases.

Caseload by Program by Region - June 1976 (cont.)

While the total caseload under General Relief fell more than 50 percent, the percentage of the total caseload accounted for by the City of Boston rose from 35.7 percent to 38.2 percent. As the state caseload declined 55.4 percent, the caseload in Boston only declined 52.3%, in Springfield 55.7%, in Worcester 56.2% and in Lawrence 58.6 percent. Whereas Lawrence accounted for 10.4 percent of the GR caseload in June 1975, it only accounted for 9.7 percent of the caseload in June 1976.

All the Regions had a slight dropoff in the number of Medical Only Aged cases but MA-AFDC cases fell only in Boston and Worcester, as the total caseload for the state increased 410 cases. While the number of Medical Only Disabled cases rose in the state (up 480 cases, June to June), the number in Worcester remained about the same; the number in Boston rose 135 and the number in the Greater Boston-New Bedford area increased 294. All regions showed a decline in the number of cases with Children Under 21 in medical need.

In conclusion we can say that while the overall caseload fell from June 1975 to June 1976, not all the regions, especially Springfield, participated in the decline to the same degree.

MEDICAL ASSISTANCE

Total and Percent Distribution of Medical Expenditures by Type of Vendor

Fiscal Year 1976

The Medical Assistance program covered the medical needs of both the clients who are aided financially with direct payments (SSI, AFDC and GR cases) and those clients who had unmet medical needs only (the Medical Only Aged, Disabled, AFDC Related and Families with children under 21 years of age). The following pages will describe the types of medical care needed and provided and the relationship to one another and the whole over time in expenditure terms and by type of client.

The most significant developments acting on the Medical Assistance Program in Fiscal Year 1976 were the reduction in service, especially to the General Relief cases, the reduction in fees to physicians and limits to care in acute facilities, all made in response to inflationary cost increases during a period of economic decline.

The first table, "Medical Expenditures by Type of Vendor", describes to what providers the funds for medical care and services were distributed. The total medical expenditure is divided into two parts; payments made under Title XIX of the Social Security Act, with 50 percent federal matching, and payments under General Relief which were totally state financed. The table shows Expenditures in total, before matching for each of the two parts.

Total medical payments for both Title XIX Medicaid and General Relief reached over 622 million dollars when we include the \$44.3 million appropriated to other Departments of the State Government and

for which the Welfare Department makes a claim for matching to the Federal Government. This \$44.3 million was used to provide care in Mental Hospitals (\$19.5 million) and to provide care in Intermediate Care Facilities for the mentally retarded.

Of the \$578 million appropriated to the Welfare Department (including Accounts Payable from Prior Years, and actually distributed to providers), by far the largest portion went to Hospitals and Nursing Homes. In percentage terms Hospital Care for both acute and chronic patients accounted for over 40 percent of the total medical expenditures. Another 14.4 percent was distributed to Skilled Nursing Homes and 16.5 percent to Intermediate Care Facilities for other than the mentally retarded. Together, therefore, medical payments for clients institutionalized accounted for 30.9 percent of total medical payments and with the payments for Hospital Care were in excess of 411 million dollars. If we add the expenditures for Mental Hospitals and Retarded Persons, over 455 million dollars was spent for these types of care and which accounted for 73 percent of the total medical expenditures of 622 million dollars. In the preceeding fiscal year, Institutional and Hospital Care accounted for 75 percent of the total medical expenditure and in the year before, F.Y. 1974, 75.2 percent.

In Fiscal Year 1975, Pharmacies accounted for 5.5 percent of the Title XIX expenditures and 4.0 percent of the total GR Medical Expenditures. In Fiscal Year 1976 the percentage of Title XIX expenditures fell to 4.9 and for General Relief to 3.7. Other variations from previous years can be noted.

Despite the 30 percent Reduction in physicians fees the percent of total medical payments to physicians rose from 6.1 percent in 1975 to 7 percent in F.Y. 1976 for Title XIX and from 8.5 percent to 10.1

percent for General Relief. The percent for Dental Care fell in 1976 of Title XIX total payments but rose from 4.1% to 5.7% of total GR medical payments.

In Actual dollars, Title XIX payments for Family Planning rose significantly, (from 1 to 1.8 million dollars), as did Laboratory and Radiological Services. Clinic Services actually fell a million dollars as did Other Practitioners Services. A significant increase in the payments for Out patient Hospital Visits was experienced from Fiscal Year 1975 to Fiscal Year 1976. In Fiscal Year 1975 only 18.5 million dollars or 3.6 percent of total Title XIX expenditures was for this medical service. In Fiscal Year 1976 the payments rose to 36 million dollars or 6.1 percent of total Title XIX expenditures.

Each year there is a shift in the relative importance of the various types of providers as efforts are made to utilize the lowest cost delivery system with the best and most appropriate method of care and service.

Estimated Medical Expenditures by Type of Provider
Total and Percent Distribution
Title XIX and General Relief
Fiscal Year 1976

	<u>Title XIX</u>		<u>General Relief</u>	
	<u>Expenditures</u>	<u>Percent</u>	<u>Expenditures</u>	<u>Percent</u>
	(Thou. \$)		(Thou. \$)	
General Hospitals	212,195	35.9	20,277	65.1
Mental Hospitals	19,505	3.3	-	-
Skilled Nursing Homes	83,341	14.1	31	0.1
Intermediate Care Fac.				
For Mentally Retarded	24,824	4.2	-	-
All Others	95,162	16.1	93	0.3
Physician's Services	41,375	7.0	3,146	10.1
Dental Services	21,870	3.7	1,775	5.7
Other Practitioners Services	5,911	1.0	312	1.0
Outpatient Hospital	36,055	6.1	3,426	11.0
Clinic Services	6,502	1.1	312	1.0
Laboratory and Radiological Services	1,773	0.3	249	0.8
Home Health	4,729	0.8	93	0.3
Prescribed Drugs	28,963	4.9	1,153	3.7
Family Planning	1,773	0.3	31	0.1
Other Care and Services	7,093	1.2	249	0.8
Total, All Vendor	591,071	100.0	31,147	100.0

Source: Distribution based on Vendor Payment Report VPS 07 with adjustments as reported on Form NCSS-SRS-120 Applied to Expenditure Data from Status of Appropriation Account.

Medical Payments, Fiscal Year 1976

In the table below the medical expenditures under General Relief and the Care and Maintenance of Children (Foster) in the care of the Commonwealth are estimated because the portion of the total appropriation reserved for medical care has not been separated from the total funds allotted. Because of the lag between the time when the medical service was given and the time payment for that service is made, it will always be necessary for some funds to be encumbered, (put aside for future payments), and the resulting accounts payable from the previous year. (Encumbered funds become accounts payable in the next year). The last column of the table therefore is the best estimate of the actual funds for medical care paid in the 1976 fiscal year by appropriation account.

Compared to the prior year total medical payments were up only 6.5 percent or 35.4 million dollars. The previous year to year increase was 11.8 percent or 57.3 million dollars. The 6.5 percent increase was due in large part to higher rates and fees for any particular medical service, such as one day's hospital care and a slight increase in caseload, especially the AFDC, Disabled-SSI and Children Under 21 Years of Age programs, not offset by the decline in GR cases, services and medical expenditures.

Total Medical Payments, Fiscal Year 1976

	<u>Expenditure of Funds Appropriated</u>	<u>Less Encumbrances</u>	<u>Plus Accounts Payable FY 1975</u>	<u>Net Payments</u>
Direct Medical Assistance	\$479,988,382	\$37,248,827	\$ 78,669,317	\$521,408,872
Prior Years MA	10,000,000	8,000,000	20,828,644	22,828,644
Care and Maintenance (e)	1,163,808	--	857,385	2,021,193
General Relief (e)	17,600,000	1,800,000	10,500,000	26,300,000
Prior Years GR (e)	1,700,000	140,000	3,287,000	4,847,000
All Programs	510,452,192	47,188,827	114,142,346	578,405,709

Estimated Recipients and Average Payment

The table that follows describes the estimated number of recipients each month by program. Each recipient can be described as a person for whom at least one medical payment was made in the month and the counts on the table can be described as unduplicated. For the first time in many years the counts are from computer reports and are relatively accurate with the estimated portion being those few cases which were not described by category of assistance on the computer tapes.

Great variations in the average payment by type of case can be observed from this table and indeed fluctuations from year to year for the same program are experienced.

Each month in Fiscal Year 1976 on the average the Department made at least one medical payment for just over 380 thousand persons. The amount paid for each of these persons averaged \$123.34 each month but the average per person for each of the seven categories of assistance varied from \$538.06 for the Aged Medical Only person to \$53.38 for the AFDC person.

This great difference can be explained by the difference in the types of medical services received and the frequency of the services given. Many Aged MA Only cases are institutionalized whereas few AFDC mothers and children are in Nursing Homes and Intermediate Care Facilities. While many Aged cases need medical care each day in the month or have long hospital stays or receive many types of medical care at the same time such as Physicians, Drugs and Hospital care, few AFDC mothers or children have chronic hospital care or multiple services to the degree that aged persons would have them.

**Estimated Recipients of Title XIX Medical Services
and Average Payment Per Recipient Per Month by Category of Assistance**

Fiscal Year 1976

<u>Category of Assistance</u>	<u>Monthly Recipients</u>	<u>Monthly Expenditures</u>	<u>Average Monthly Payment</u>
Aged SSI	39,511	\$ 4,352,234	\$109.46
Disabled SSI	26,661	5,712,286	214.26
AFDC	223,467	11,937,995	53.38
Medical Only			
Aged	35,099	18,885,474	538.06
Disabled	6,436	3,293,774	511.77
AFDC Related	15,824	869,214	54.93
Children Under 21	34,888	2,111,072	60.51
<hr/>			
Total All Programs	381,886	\$47,103,485*	123.34

* Does not include the average 2.6 million paid for GR Medical each month, the 2 million to Intermediate Care Facilities for the Retarded and the \$41.3 thousand each month for Refugee programs.

While the Aged MA Only individuals had an average payment of \$538.06, the Disabled MA Only persons had an average payment of \$511.77, also due to the large number of cases in Nursing Homes and ICF's as well as Hospital care.

These reasons also explain why the average payments are higher for the Aged and Disabled Medical Only Cases than the SSI Aged and Disabled cases. Individuals would not be under the MA Only programs unless they were in need of unusual medical care; especially expensive medical care. When an Aged or Disabled SSI case becomes in need of institutional care they are transferred from SSI to Medical Only, with few exceptions, but even if they are at home they need more medical attention under the SSI program than was needed for the average person under the childrens programs; AFDC, AFDC related and children under 21 years old.

Compared to last year, when the highest average payment was for Disabled MA Only cases, many changes can be noticed. The average payment per Aged SSI person increased \$22.10 per month while the average payment for a Disabled SSI case fell \$4.51 per person per month from \$218.70. Payments for the average AFDC recipient, AFDC related person and child under 21 recipient in a medically needy family, also fell while the average payment for a Aged and Disabled Medical Only recipient increased \$52.26 and \$21.26 respectively each month.

Average Medical Payment per Eligible Case

Compared to the average payment per recipient by category of assistance, the average payments per case are much lower for aged and disabled cases, where one person is a case, and higher for the family programs where each case represents, on the average, a family of three or more persons.

This data gives some indication of what each addition to the caseload by program will mean in terms of the medical services that will be required and the cost of those medical services.

Most of the Aged and Disabled Medical Only cases are recipients. Unless there was a need they would not apply. For the AFDC Related cases and cases with medically needy children under 21 years old, one member of the family is usually a recipient and in need of medical care. For the other programs, where each person who receives a grant is eligible by definition, this is not necessarily the case and only about half or the SSI cases are actually recipients of medical care in a given month and only about two-thirds of the AFDC persons.

The medical only family categories, while having at least one person in need of medical care, usually have two or more persons without this need for medical care.

**Average Medical Payments Per Month Per Eligible Case
by Category of Assistance**
Fiscal Year 1976

<u>Category of Assistance</u>	<u>Monthly Caseload</u>	<u>Monthly Expenditures</u>	<u>Average Monthly Payment</u>
Aged SSI	80,500	\$ 4,352,234	\$ 54.06
Disabled SSI	46,959	5,712,286	121.64
AFDC	110,723	11,937,995	107.82
Medical Only			
Aged	41,173	18,885,474	458.69
Disabled	7,935	3,293,774	415.09
AFDC Related	8,101	869,214	107.30
Children Under 21	24,439	2,111,072	86.38
General Relief	<u>28,805</u>	<u>2,595,583</u>	<u>90.10</u>
Total All Programs	348,635	\$49,699,068*	\$142.55

* Does not include the \$2 million paid to Intermediate Care Facilities for the mentally retarded each month or the \$41.3 thousand for the Refugee Programs.

**Medical Care Utilization Rates Per Recipient
Per Month By Program
Fiscal Year 1976**

<u>Program</u>	<u>Average Monthly Eligible Recipients</u>	<u>Average Monthly Recipients of Care</u>	<u>Percent of Eligible Recipients Receiving Care</u>
Aged SSI	80,500	39,511	49.1
Disabled SSI	46,959	26,661	56.8
AFDC	357,953	223,467	62.4
Medical Only			
Aged	41,173	35,099	85.2
Disabled	7,935	6,436	81.1
AFDC Related	26,692	15,824	59.3
Child. Under 21	56,853	34,888	61.4
All Programs	618,065	381,886	61.8

MASSACHUSETTS DEPARTMENT OF PUBLIC WELFARE

**Leading States in Expenditures
for Medical Care by Rank and Amount
June 1975 and June 1976**

	<u>June 1976 Expenditure (000)</u>	<u>National Rank</u>	<u>June 1975 Expenditure (000)</u>	<u>National Rank</u>
New York	244 382	1	232 444	1
California	187 277	2	175 812	2
Pennsylvania	70 706	3	60 972	5
Illinois	69 430	4	65 076	3
Michigan	69 143	5	58 962	6
Texas	61 210	6	58 190	7
Massachusetts	54 390	7	63 526	4
Wisconsin	36 107	8	32 778	8
New Jersey	31 001	9	30 955	9
Minnesota	30 630	10	24 239	14
Maryland	26 001	11	18 865	16
Louisiana	25 285	12	20 014	15
U.S. TOTAL	1 293 865		1 211 059	

Source: Public Assistance Statistics, DHEW, NCSS Report A-Z,
June 1976 and June 1975

Leading States in Expenditures for Medical Care

The table above describes the relative position of the twelve leading states in Expenditures for medical care in two time periods. New York and California ranked 1st and 2nd in that order in both periods but while Pennsylvania shifted from 5th place to third Massachusetts fell from fourth place to seventh while actual expenditures dropped 14.3 percent or from \$63.5 million to \$54.4 million. Caution should be used as only one month is being compared and payments for medical care fluctuate from month to month and while the relative position of Massachusetts was changing every other one of the selected states showed a gain in expenditures and the increase from June to June in the nation was 6.8 percent.

In the table the expenditures given were only those made under Title XIX of the Social Security Act and do not include medical expenditures made under the General Relief Programs in the several states.

Income Maintenance - Public Assistance

The following section describes in detail the various direct payment programs including the data for fiscal year 1976, the comparison with data from fiscal year 1975, the average payments per month and per year and to some extent the reasons for the changes from year to year.

The most significant developments as far as the income maintenance programs were concerned were the implementation of the Consolidated Grant system for AFDC cases and the elimination of General Relief assistance to employable persons in the Commonwealth which led to a large decline in the size of the GR caseload. New regulations governing Special Needs vendor payments also went into effect in Fiscal Year 1976. The amount, therefore, expended for initial needs, emergency assistance and expenditures under the Hardship program for AFDC and to some extent GR cases declined by over one-half to about 17 million dollars in this Fiscal Year.

Since January 1, 1974 or halfway through the 1974 fiscal year, the aged and disabled public assistance cases have been under the Supplemental Security Income program. This is a program administered by the Federal Social Security Administration where the Federal government gives a basic grant to the recipient with an additional amount paid for entirely by the state. It is still the responsibility of the Commonwealth to provide these cases with medical care and social services. Before January 1, 1974 these cases were under the Old Age Assistance and Disability Assistance program with total expenditures being matched by the Federal government.

AID TO FAMILIES WITH DEPENDENT CHILDREN

Comparison of Average AFDC Caseload and Expenditures Fiscal Year 1975 and Fiscal Year 1976

	<u>F.Y. 1975</u>	<u>F.Y. 1976</u>	<u>Percent Change</u>
Average Monthly Caseload	106,124	111,932	+ 5.5
Average Monthly Recipients	346,793	357,953	+ 3.2
Total Expenditures (In Millions)	\$405.5	\$421.7	+ 4.0
Average Monthly Payment Average	\$318.42	\$313.96	- 1.4
Average Annual Payment Per Recipient	\$1169.29	\$1,178.08	+ 0.8

While the average monthly caseload increased 5.5 percent, the increase in recipients, which includes the children and other adults in the AFDC family, increased only 3.2 percent as the average size family was smaller in F.Y. 1976 than in the year before. To some degree, this was due to the added number of one-person families, (children of a remarried AFDC mother and pregnant women).

Total expenditures increased at a smaller rate than the percent change in cases and led to a decline in the average payment per case, per month. The annual payment per case was \$3,767.00 in F.Y. 1976 compared to \$3,821.00 in F.Y. 1975. The caseload increased over the year reaching a peak in April 1976, but as the economy improved the caseload fell slightly in May and rose again in June, but not to its April peak.

The increases in both caseload and expenditures was very modest compared to earlier years. From 1974 to 1975, expenditures increased 25.4 percent and the average monthly caseload increased 15.7 percent.

The increase in expenditures can be partially explained by the implementation of the Consolidated Grant System in November, 1975 but the increase in the total was mostly due to the higher caseload. This is illustrated when we look at the average payment per case which fell while the average payment per recipient remained about the same. The implementation of the cyclical payment system also accounted for a slight increase in payments.

The slight increase in caseload was aided especially by increases in the unemployed fathers section of the total caseload. Toward the end of Fiscal Year 1975 the courts ruled that an unemployed father who is eligible for both Unemployment Compensation and AFDC-Uf could elect which program he would use for maintenance needs and an additional number of Unemployment Compensation recipients had exhausted their rights for the U.C. benefits and were now eligible for welfare benefits.

Of the total expenditures about 15 million dollars was in the form of non-medical vendor payments. These included payments for hardship cases (for example, to replace fire damage), emergency assistance and protective payments.

The following table will give some indication of how the caseload, in total and for the unemployed father segment and regular (basic) segments has increased over the years since the Commonwealth assumed administration of the AFDC program. The percentage increase in total average monthly caseload was relatively light when compared to most of the preceding years.

MASSACHUSETTS DEPARTMENT OF PUBLIC WELFARE

Aid to Families with Dependent Children
 Average Monthly Caseload, Basic and Unemployed Fathers
 and Percent Change from Prior Year
 Fiscal Year 1969 - 1976

<u>Fiscal Year</u>	<u>Average Monthly Caseload</u>			<u>% Change from Prior Year</u>	
	<u>Total</u>	<u>Basic</u>	<u>Unemployed Fathers</u>	<u>Basic</u>	<u>Unemployed Fathers</u>
1969	45,857	45,119	738	+ 24.2	+ 12.2
1970	56,932	55,424	1,508	+ 22.8	+104.3
1971	71,016	69,313	1,703	+ 25.1	+ 12.9
1972	79,618	77,433	2,185	+ 11.7	+ 28.3
1973	83,952	81,524	2,428	+ 5.3	+ 11.1
1974	91,738	89,487	2,251	+ 9.8	- 7.3
1975	106,124	102,968	3,156	+ 15.1	+ 40.2
1976	111,932	107,421	4,511	+ 4.3	+ 42.9

Source: RSI System Data (1969-1972), Monthly Summary Expenditure Report (1973-1976).

MASSACHUSETTS DEPARTMENT OF PUBLIC WELFARE

AFDC - Work Incentive Program - April-June 1976

	<u>Massachusetts</u>	<u>Nationwide</u>
Initial Certifications		
Requested	3,952	138,670
Made With Services	752	59,311
Made Without Services	2,546	56,874
 Certifications Not Completed		
Day Care Not Available	46	4,603
Other Services Not Available	18	693
Medical Exemption	69	2,201
Other Reason	508	12,046

AFDC - WORK INCENTIVE PROGRAM

<u>Activity Summary</u>	<u>Fiscal Year 1974-1975</u>		
	<u>1976</u>	<u>1975</u>	<u>1974</u>
Number of Registrations	34,558	32,029	31,364
Number Clients Interviewed and Appraised	24,181	17,949	16,165
Total Participants	13,447	12,463	13,503
Number Attaining Employment	7,237	6,621	6,129
Grant Reductions	\$15,133,296	\$9,362.000	\$6,643,000

SELECTED CHARACTERISTICS OF THE WIN PARTICIPANTS

	<u>Fiscal Year 1976</u>	<u>Fiscal Year 1975</u>			
	<u>Total Participants</u>	<u>Percent</u>	<u>Total Participants</u>	<u>Percent</u>	
	13,447	100.0	12,463	100.0	

Sex

Male	4,128	30.7	5,452	43.7
Female	9,319	69.3	7,011	56.3

Education

7th Grade or Less	1,291	9.6	988	7.9
8th - 11th Grade	6,186	46.0	5,756	46.2
High School Graduate	4,922	36.6	4,570	36.7
Post High School	1,048	7.8	1,149	9.2

Age

21 years or less	1,909	14.2	2,022	16.2
22 - 44 years	9,413	70.0	9,117	73.2
45 - 54 years	1,748	13.0	1,227	9.8
55 years and over	377	2.8	97	0.8

Source: Internal Records from Division of Employment Security
and the WIN unit of the Department of Public Welfare.

AID TO FAMILIES WITH DEPENDENT CHILDREN

Average Payment Per Case ^{1/} by Rank
June 1976 and June 1975

<u>State</u>	<u>June 1976 Avg. Payment</u>	<u>National Rank</u>	<u>June 1975 Avg. Payment</u>	<u>National Rank</u>
New York	\$392.25	1	\$312.18	2
Hawaii	340.22	2	309.86	3
Wisconsin	319.95	3	241.23	14
Alaska	289.29	4	261.19	8
Massachusetts*	284.38	5	337.06	1
Michigan	284.07	6	253.36	10
Pennsylvania	282.69	7	256.50	9
New Jersey	274.53	8	270.45	6
Iowa	266.91	9	275.97	5
Illinois	265.96	10	278.27	4
Connecticut	261.78	11	266.78	7
Vermont	261.36	12	254.77	11
National Average:	230.38		212.72	

1/ Includes non-medical vendor payments.

* Massachusetts adjusted for 1/3 of the flat grant.

Source: DHEW Publication Number 76-03100 NCSS Report A-2
Public Assistance Statistics June 1975 and June 1976.

General Relief

Comparison of the Average GR Caseload and Payments F.Y. 1975 and 1976

	<u>Fiscal Year</u>	<u>1975</u>	<u>1976</u>	<u>Year to Year</u>	<u>Percent Change</u>
Average Monthly Caseload		40,025	29,989		- 25.1
TOTAL Expenditures (In Millions)		\$111.7	\$82.3		- 22.3
Estimated Direct Payments (In Millions)		68.7	49.5		- 27.9
Average Annual Expenditure Per Case		\$2,791	\$2,745		- 1.7
Average Monthly Direct Payment Per Case		\$171.64	\$165.06		- 3.8

The 25 percent decrease in the average monthly caseload for General Relief between F.Y. 1975 and F.Y. 1976, reflects the change in eligibility requirements under this program, instituted on October 2, 1975, which in effect made employable single recipients of General Relief no longer eligible for assistance. The caseload actually reached a peak in the spring of 1975 when over 44 thousand cases were being aided but by the end of the 1976 fiscal year less than 20,000 cases were eligible to receive a grant. It appears that a significant decline in caseload size would have been experienced even if the change in eligibility had not taken place. Other changes in policy and law also had the effect of limiting the size of the caseload. The elimination of medical care, the denial of eligibility for those receiving unemployment compensation and veterans' benefits and the denial of assistance to those awaiting acceptance under the AFDC-UF Program.

The improvement of general economic conditions also appears to have aided the caseload decline but this factor should be more important in the coming 1977 fiscal year as to caseload change.

Total expenditures also declined substantially as the caseload declined even though payments for medical services remained high as bills incurred in the months prior to the elimination of medical care, (except specified drugs), were processed and settled. Of the \$82.3 million in expenditures for General Relief in 1976, approximately \$31 million was for medical care. Direct Payments and Non-Medical Vendor payments accounted for about \$51 million compared to \$73 million in Fiscal Year 1975. The percentage of Direct Payments to the total expenditures therefore was only 60.1 percent compared to 61.5 percent in Fiscal Year 1975. Non-medical vendor payments were about \$1.7 million in Fiscal Year 1976 compared to \$4.3 million in Fiscal Year 1975.

Average direct payments per month declined from year to year as well as the average expenditure per case for the year. The percentage drop was greater for Direct Payments than annual expenditure because medical expenditures did not decline as fast as direct payments even though non-medical vendor payments fell dramatically.

The table on the next page shows how the average monthly caseload has varied over the past seven years and the percent change from year to year. Only the direct payment cases are included, (in earlier years we had many medical only cases) but even so the series indicates wide fluctuations due to economic conditions, changes in policy and laws, changes in administrative techniques and efficiency as well as psychological and social factors. The decline in 1973 was due to sweeping changes in the eligibility requirements as was the decline in 1976. The large increases in 1970 and 1975 were primary causes of these sweeping changes and resulted from changing social values and conditions. Even at the level in 1976 the average caseload was 224 percent higher than the average caseload in Fiscal Year 1968; the first full year after the Commonwealth assumed the administration and funding of this program which earlier had been administered by the Cities and Towns.

General Relief - Direct Payment Cases

**Average Monthly Caseload and Percent Change from Prior Year
Fiscal Years 1968-1976**

<u>Fiscal Year</u>	<u>Average Monthly Caseload</u>	<u>Percent Change From Prior Year</u>
1968	9 266	0
1969	11 991	+ 29.4
1970	17 951	+ 49.7
1971	25 030	+ 39.4
1972	25 578	+ 2.2
1973	23 118	- 9.6
1974	26 860	+ 16.2
1975	40 025	+ 49.0
1976	29 989	- 25.1

Source: RS 1 (1968-72), MSER (1973-76)

GENERAL RELIEFAverage Payment^{1/} Per Case by Rank

June 1976 and June 1975

	<u>June 1976 Avg. Payment</u>	<u>National Rank</u>	<u>June 1975 Avg. Payment</u>	<u>National Rank</u>
Hawaii	\$231.99	1	\$204.09	1
New York	184.87	2	188.66	2
MASSACHUSETTS	167.03	3	161.12	4
Michigan	166.18	4	159.01	5
New Jersey	164.07	5	166.39	3
Pennsylvania	155.82	6	142.13	9
Dist. of Columbia	153.79	7	149.20	6
Kansas	146.46	8	129.69	11
Minnesota	141.97	9	143.40	8
Wisconsin	131.23	10	117.63	14
Illinois	126.03	11	138.13	10
Utah	123.68	12	91.74	15
Rhode Island	123.68	12	121.80	13
National Average	145.38 (44 States)		140.56 (45 States)	

1/ Includes non-medical vendor paymentsSource: Public Assistance Statistics, DHEW Pub. #(SRS) 77-03100
NCSS Report A-2, June 1975 and June 1976Comparison with Other States in G.R. Grants

The table above shows the relative position of Massachusetts compared to other states in the relative size of the grants provided in June 1975 and June 1976. While Massachusetts was third in June 1976 with an average grant of \$167.03 the State was fourth in June 1975 with a grant of \$161.12. In June 1976 the grant was 14.9 percent above the national average, (In June, 1975, the average grant was 14.6 percent above the national average) and 3.7 percent above the average grant in June 1975.

Supplemental Security Income Program
Caseload and Payments, Fiscal Years 1975-1976

The table below shows the combined SSI caseload and expenditures for fiscal years 1975-1976 and the Average payments per case for each fiscal year with the year to year percent change.

	<u>F.Y. 1975</u>	<u>F.Y. 1976</u>	<u>Percent Change</u>
Average Monthly Caseload	115 589	127 459	+10.3
Total Expenditures (In Millions)	112.0	105.1	- 6.2
Average Annual Payment per case	\$968.75	\$824.58	-14.9
Average Monthly Payment per case	\$ 80.75	\$ 68.72	-14.9

On January 1, 1974 the Old Age Assistance and Disability Assistance caseload was incorporated into a new program administered by the Federal Social Security Administration and named the Supplemental Security Income Program.

The Commonwealth continues to assist the residents aided under this new program by reimbursing the Federal Government for a share of the total assistance granted.

Although the average monthly caseload (combined) increased by almost 12,000 cases, the total expenditure by the state declined by 6.9 million dollars due mostly to accounting adjustments and lower average grants paid to an individual recipient because they had higher outside resources.

The average payment for the combined caseload fell 14.9 percent to \$68.72 per month (\$824.58 per year) from F.Y. 1975 to F.Y. 1976. One factor causing the decline was the granting of Social Security (OAHDI) Payment Increases which causes a reduction in SSI payments of the same amount on an individual basis. Other increases in

resources, such as Veterans Benefits, has the same result.

In the table that follows we can see that the Aged Portion the SSI program has begun to level off while the Disabled Portion continues to rise by a significant amount (over 8 thousand cases from 1975 to 1976) and percent (+21% from 1975 to 1976).

<u>Fiscal Year</u>	<u>Average Monthly Caseload</u>	<u>Percent Change from Prior Year</u>
	<u>Aged</u>	<u>Disabled</u>
1970	55 347	+ 9.6
1971	58 994	+ 6.6
1972	62 737	+ 6.3
1973	57 148	- 8.9
<u>1974^{1/}</u>	58 081	+ 1.6
1975	76 775	+32.2
1976	80 500	+ 4.9

1/ Data combines 6 months of OAA and DA with 6 months of SSI to find yearly totals as SSI began January 1, 1974.

Source: MSER and RSI Series for Data Prior to January 1, 1974.
January 1974 and after from Federal Report Form 8700.

Reasons for these caseload changes are more elusive but it appears that the number of Disabled cases has increased as inflation has made payments from older pension plans obsolete and more disabled individuals are locating assistance when they contact the local social security office.

The number of Aged cases increased only slightly as more and more elderly persons have full social security benefits rather than benefits based on only part of their working years and more retired persons have income in addition to their social security benefits.

FOOD STAMP PROGRAM

The Food Stamp Program, in its present form, began on July 1, 1974 and was designed to improve the diet of the indigent people of Massachusetts, especially children. Depending on the resources of the food stamp recipients, a payment is made for the food stamps with the difference between the payment and the face value of food stamps purchased, described as the bonus value or issuance. This is the net gain to the food stamp case. All Public Assistance Households are eligible for food stamps by definition and other families may be eligible if they meet the financial and procedural requirements.

The "cost" of the Bonus Value is 100 percent borne by the United States Department of Agriculture.

Number of Households by Type, Total and Bonus Value of Authorizations

From its inception until the present the number of food stamp recipients has grown, especially the number of non-Public Assistance cases. In the 1976 Fiscal Year the total number of cases increased from about 194 thousand in July 1975 to 197 thousand in June 1976. While the number of Public Assistance Households declined from over 110 thousand to just over 107 thousand the number of Non-Public Assistance Households increased from 84 to almost 90 thousand.

For all the cases for the year almost 320 million dollars in stamps was issued with the average case receiving \$135.00 in stamps for one month. The Households paid \$155,800,000 for the stamps issued so that the difference, or \$163,588,018, was given as the bonus value over the year. Each household therefore, on the average, received \$69.15 as a bonus value or net gain each month.

Food Stamp Program

**Number of Households
by Type, Total and Bonus Value of Authorizations**

Fiscal Year 1976 by Month

<u>Month</u>	<u>Caseload</u> ^{1/}	<u>P.A. Cases</u>	<u>Non-P.A. Cases</u>	<u>Total Value of Stamps</u> (\$)	<u>Bonus Issuance</u> (\$)
July 1975	110,414 ^{2/}		84,043 ^{2/}	26,046,655	13,028,434
Aug. 1975	110,959		83,328	26,018,482	13,014,453
Sept. 1975	111,883		83,800	26,153,548	13,080,422
Oct. 1975	111,195		83,952	25,992,954	12,980,027
Nov. 1975	110,506		86,862	26,145,612	13,087,285
Dec. 1975	107,232		87,130	25,902,832	12,955,603
Jan. 1976	107,228 ^{2/}		86,210 ^{2/}	26,580,677	13,788,389
Feb. 1976	107,448 ^{2/}		89,451 ^{2/}	26,979,401	14,072,780
Mar. 1976	108,372		94,095	27,615,619	14,495,932
Apr. 1976	108,133		95,173	27,708,394	14,588,425
May 1976	107,587		93,652	27,391,087	14,402,725
June 1976	107,090		89,957	26,851,713	14,093,623
Fiscal 1976 Total	-	-		319,386,974	163,588,018

^{1/} Includes replacements estimated to be about 500 per month

^{2/} Revised

Source: DFU Report of Food Stamp Accumulated Monthly Totals (FSP055)

The total bonus value received by the clients increased each month in fiscal year 1975 but in fiscal year 1976 the amount has more or less stabilized with the high point in April 1976 when \$14,588,425 was given as a bonus value.

SOCIAL SERVICES

Expenditures by Program, Fiscal Year 1976

The table that follows lists the expenditures made by the Department for various types of social services as distinct from Income Maintenance programs and Medical Assistance. However the total expenditure of \$82 million includes \$2,021,193 in medical care payments for children under care of the Department. On the other hand, some social service expenditures are classified under Administration as they relate to the administration and delivery of social services rather than the cost of the services themselves.

The administration of the Donated Funds program in 1976 was \$317,242 and the administration of certain public social services was \$673,119. Most of the latter amount was related to the purchase of Social Services from providers outside the Department. Other administrative costs for the delivery of social services, especially the cost of administering the Care and Maintenance program, (child welfare), will be described in the next section.

By far the largest single social service expenditure was for the care and maintenance of children under care of the Department of Public Welfare. This expenditure provides foster care and group care for children referred by the courts and for children for whom application to the Department was made on a voluntary basis. Other children are in Adoptive Homes, with relatives or their parents, and receiving supervision by the social service staff. Tuition and Transportation expenditures were also made for these children, prior to Fiscal Year 1976, to the various cities and towns where they resided, to cover the cost of their education. All expenditures listed under this account were for prior years. The next largest expenditure was used to provide Day Care for children of working mothers or those in training programs or otherwise outside the home because of hospitalization, for example. Additional Day Care was provided under a Demonstration Project and the Donated Funds program.

Services to the Aged and Disabled included homemakers, chore service workers, housekeepers and the transportation costs related to these services. The expenditures for these services to the Aged and Disabled almost doubled from F.Y. 1975 to F.Y. 1976 and reached a figure of \$12,450,783 in the past fiscal year.

The Donated Funds program was designed to provide services with 75 percent of the cost borne by the Federal Government and the remainder or 25 percent borne by private agencies. In other words the Department acts as a funnel for Federal funds that go into the provision of social services to the people of Massachusetts.

SOCIAL SERVICES

Expenditures By Program, Fiscal Year 1976

Care and Maintenance of Children (Inc. Prior Years)	\$34 306 719
Day Care	22 023 241
Services for the Aged and Disabled	12 450 783
Donated Funds Programs	5 676 074
Social Services to Families and Children	2 094 626
Social Services to Children in Crisis	1 146 727
Family Planning and Unwed Mothers	1 028 958
Protective Services (Children, Adults and Edlerly)	922 532
Tuition and Transportation of Children (Inc. Prior Years)	801 256
Work Incentive Program	572 591
Grove Hall Project	535 874
Emergency Needs	343 460
Day Care Demonstration Project	52 572
Services to Drug Addicts and Family (Donated Funds)	29 244
Services to Mentally Retarded and Family (Donated Funds)	2 473
Total - All Social Services	\$81 987 129

Source: Status of Appropriation Accounts, June, 1976.

Social Services to families and children and to children in crisis include the same services provided to the Aged and Disabled but also include Family Counselling, Babysitting, Emergency and Foster Care placements, services related to Drug Addiction, Alcoholism and Retardation.

Other services provided include counselling to Unwed Mothers and Family Planning Information and Care, Protective Services to abused and neglected children, Emergency Services related to housing and health and Protective Services to Adults.

The Work Incentive Program, also discussed and described in the section given to AFDC data, is designed to aid in the transfer of welfare heads of household from public assistance to self-support through employment. Eligible participants are referred to the Division of Employment Security for job placement or training and/or job counseling.

The Office of Social Services is required to provide the necessary services to make this transfer possible, such as providing Day Care and Homemakers so that the AFDC mothers or fathers are able to leave the children and attend classes or on-the-job training sessions.

The Demonstration Project for Day Care was designed to show the feasibility of providing Day Care Services for working families in order to prevent the need for public assistance before it has developed.

Child Welfare Expenditures by Type, Fiscal Years 1975-1976
And Year to Year Percent Change

<u>Expenditure Type</u>	<u>F.Y. 1976</u>	<u>F.Y. 1975</u>	<u>Percent Change</u>
	(\$)	(\$)	(%)
Total, All Types	35 108 126	31 808 867	+10.4
Care and Maintenance	34 306 870	30 156 385	+13.8
Board Payments ^{1/}	29 471 590	24 109 977	+22.2
Clothing	2 092 393	2 008 652	+ 4.2
Hospital Care	1 392 460	1 466 821	- 5.1
Doctors, Dentists, etc.	589 630	640 725	- 8.0
Medical Supplies	39 101	96 627	-49.5
Other ^{2/}	721 676	1 833 943	-60.6
Tuition and Trans. ^{3/}	801 256	1 652 482	-51.5

- 1/ Includes payments to Foster Mothers and non-medical Institutions for maintenance.
- 2/ Includes travel, advertising, personnel needs, social services for children. etc.
- 3/ All payments are accounts payable from Fiscal Year 1975. Account not active in Fiscal Year 1976.

Source: Raymonds Trial Balance, 1976 and June 1976 Summary of Expenditures Report.

Child Welfare Expenditures, Fiscal Years 1975-1976

The table above shows the changes in the various types of expenditures made under the Child Welfare Program from Fiscal Year 1975 to Fiscal Year 1976. The percent change data indicates that more funds are needed and spent under this program just to keep up with inflation. Board Payments to foster mothers and non-medical institutions increased at a high percent because of increases in payments to foster mothers and the higher rates charged by institutions.

The increase in Board, which includes food, shelter and other maintenance needs, was over 5 million dollars, year to year, while the increase in clothing costs, (\$83,000), was only moderate. Other types of expenditures, especially medical care, fell significantly over the one year period. All payments for tuition and transportation we made for prior years as this Account was not active in Fiscal Year 1976.

Total Expenditures for Child Welfare Services have been increasing each year since 1970, with the exception of 1973 when total expenditures fell about 1.4 million dollars. As can be seen on the following bar chart, total expenditures have increased about 68 percent over the seven year peiod but the largest increase in dollars and percent was in the 1970 to 1971 period when the increase year to year was much greater than the increase from 1975 to 1976.

Child Welfare Services

Expenditures for Care and Maintenance and Tuition and Transportation Fiscal Years 1970-1976

Million \$

40-

35-

30-

25-

20-

15-

10-

5-

0

1970

1971

1972

1973

1974

1975

1976

20 843 735

26 080 003

26 701 476

25 284 809

\$29 866 101

\$31 808 867

\$35 108 126

Source: Raymonds Trial Balance - Expenditures plus Accounts Payable (1972-1976),
Expenditures in Prior Years.

ADMINISTRATION

The table that follows shows a breakdown of the total administrative costs of the Department in the Fiscal Year 1976 and the following section describes the administrative costs of the Department with additional data on some aspects of that administration.

Over 73.5 million dollars was spent to administer the programs which in the Fiscal Year 1976 amounted to an expenditure of over 1.2 billion dollars. In other words only 5.6 percent of the total expenditures of the Department of Public Welfare was used for administration.

Compared to last year, total administration was up about 2.5 million dollars with the increase largely due to the increase in funds needed to administer the Food Stamp Program and the Vendor Payment System. Compared to last year, Regular Administration was down more than \$370,000 despite a caseload increase from the year before. Funds from this account are used for the salaries of social workers and supporting staff, the purchase of supplies and equipment and rent and utility payments needed for the regular programs and not separated out in the table that follows.

The Vendor Payment System was designed to process the payment of invoices submitted by suppliers of services and goods, especially providers of medical care, in a timely and efficient manner.

The Food Stamp Program administrative costs have become a major segment of total administrative costs only in the past few years. In 1976 over \$6 million was used to process the applications, cover the cost of the distribution of the stamps and other related expenditures. This was a two million dollar increase over the 4 million dollars needed to administer the program last year; the first year when the food stamp program, in its present form, was in operation.

The Hospital Admission Surveillance System or H.A.S.S. is a system designed to insure that the Medical Assistance clients receive the proper amount of care in hospitals and are discharged from the hospital, neither before or after the proper number of days have elapsed for a particular medical condition. Expenditures under this program fell over \$300,000 in Fiscal Year 1976.

The Child Support Enforcement Unit has been created to maximize the amount of support payments to the Department by the legal fathers of children receiving assistance. Although this procedure has been followed by the regular staff and has been in effect for many years, in Fiscal Year 1975, a unit specializing in this type of work was created and funded for better control and accountability.

Two units, Social Service Administrative Unit and Donated Funds Administrative Unit were created to control the supply and purchase of social services by the Department. The operation of the Donated Funds Program is funded separately for increased accountability and control. Expenditures for these units could be listed under social services but it is perhaps more accurate and informative to list them under administrative costs.

EXPENDITURES FOR ADMINISTRATION BY TYPE

Fiscal Year 1976

Regular Administration of the Programs	\$57,191,068
Vendor Payment System	6,432,780
Food Stamp Program - Administration	6,123,278
Hospital Admission Surveillance System	1,507,512
Child Support Enforcement Unit	1,288,199
Administration, Social Services	673,119
Administration, Donated Funds	317,242
Travel - Commissioner's Office	<u>59,884</u>
Total, All Types	\$73,593,082

Source: Status of Appropriation Accounts, June 1976.
Expenditures adjusted for encumbrances and
accounts payable, F.Y. 1975.

Compared to Fiscal Year 1975, total administrative costs increased about 3.5 percent. Regular Administration actually had a decline of \$370,000. Expenditures for H.A.S.S. and the Donated Funds Administrative Unit also fell but the decline was more than offset by the additional expenditures for the administration of the Food Stamp Program, (up \$1.7 million and 38.9 percent), the Vendor Payment System (up about \$815 million and 21.1 percent), Child Support Enforcement Unit, (up about \$250 thousand and 24.5 percent), and the Administration of Social Services (up 7.2 percent and about \$30,000).

Regular Administration, which showed a decline while prices and the caseload was rising, accounted for 78 percent of the total administrative costs in Fiscal Year 1976; the Vendor Payment System, 8.7 percent; and Food Stamp Program Administration, 8.3 percent. In Fiscal Year 1975 Regular Administration accounted for 81 percent of total administrative costs, the Vendor Payment System 7.5 percent and Food Stamp Administration 6.2 percent.

Regional Summary of Staff Positions

June 30, 1976

<u>Region</u>	<u>Total Positions</u>	<u>Positions Filled</u>	<u>Positions Vacant</u>
Central Office	1,240	796	444
Greater Boston	1,215	974	241
Lawrence	640	574	66
New Bedford	859	734	125
Springfield	780	679	101
Worcester	579	505	74
City of Boston	1,366	1,067	299
Westboro	204	157	47
Total All Regions	6,883	5,486	1,397

Staff Positions Filled and Vacant

The table above is presented to show the size of the staff responsible for the delivery of public assistance, medical care and social services to the people of Massachusetts. Data is shown for the last day of the Fiscal Year and shows both the total positions filled and vacant. The large number of positions vacant reflects the economy measures now in effect at the statewide level and it is doubtful if an effort will be made to fill most of these vacancies in the immediate future. Compared to an earlier period (December, 1975) the number of positions filled dropped slightly, (from 5,539 to 5,487), but total positions authorized increased from 6,814 to 6,883.

It can be seen from the table above that only 18 percent of the total staff was employed at the Central Office level and only about 3 percent at the Westboro medical claims center. The remaining employees were working at the six regional offices or the individual Welfare Service Offices and Community Service Centers.

Including the non-public assistance food stamp cases, the ratio of cases to employees was almost 55 cases on June 30, 1976. Of course, only a portion of the total number of employees actually work with the cases directly.

CONSUMER PRICE INDEX ^{1/}

Boston, Mass. - All Items

July 1969 - July 1976 by Quarter

(1967 = 100)

<u>Year</u>	<u>Jan.</u>	<u>April</u>	<u>July</u>	<u>Oct.</u>	<u>Average</u>
1969	106.8	108.3	110.3	112.4	110.0
1970	113.6	115.1	116.4	119.4	116.7
1971	120.7	121.6	122.7	124.3	122.7
1972	124.8	126.2	127.0	128.9	127.1
1973	129.7	132.4	134.1	138.7	134.7
1974	142.0	145.2	149.7	153.2	148.7
1975	156.4	159.0	163.0	164.8	162.1
1976	172.4	172.5	175.3		

1/ For urban wage earners and clerical workers.

Source: U.S. Dept. of Labor, Bureau of Labor Statistics,
Washington, D. C.

APPENDIX II

**Caseload By Program By
Welfare Service Office, Region and State
June 1976**

	Medical Only					
	<u>AFDC</u>	<u>GR</u>	<u>Aged</u>	<u>AFDC Related</u>	<u>Disabled</u>	<u>Children Under 21</u>
Total State	113,380	20,832	40,847	8,222	8,143	20,648
Total Boston Region	27,410	7,891	5,971	1,039	1,402	2,792
East Boston	2,002	564	1	1	0	29
Church Street	1,732	1,730	3	10	4	51
Roxbury Crossing	5,326	1,663	2	0	2	112
Hancock Street	3,038	441	3	4	3	131
Adams Street	4,353	35	0	1	1	17
Grove Hall (Adult)	7	1,353	4	1	5	114
Inst. & Nursing Homes	0	24	4,474	7	783	29
Hancock Street	20	1	41	0	6	0
Columbia Point	449	50	0	0	0	17
West Howell	1,521	940	5	1	2	32
"D" Street	411	65	0	4	0	8
Morton Street	0	1,009	0	0	0	36
So. Huntington Ave.	695	11	0	0	0	10
Roslindale	1,930	15	0	0	0	12
Medical Assistance Only	0	0	1,438	999	596	2,176
Grove Hall (Family)	5,925	20	0	11	0	18
Total Springfield Region	17,047	3,131	4,790	1,210	950	3,422
Adams	830	97	278	88	61	195
Chicopee	1,244	103	320	41	64	220
Gt. Barrington	164	25	166	17	34	46
Greenfield	937	176	333	127	45	273
Holyoke	1,927	342	629	153	143	441
Northampton	1,063	285	503	145	111	415
Palmer	436	35	127	92	37	169
Pittsfield	1,339	306	449	163	57	222
Springfield	7,534	1,562	1,362	242	282	1,050
Westfield	723	90	340	76	45	216
W. Springfield	848	110	223	66	71	175
Other	0	0	60	0	0	0

Medical Only

	<u>AFDC</u>	<u>GR</u>	<u>Aged</u>	<u>AFDC</u>	<u>Related</u>	<u>Disabled</u>	<u>Children</u>
							<u>Under 21</u>
Total							
Worcester Region	12,179	1,281	4,608	734	1,007	2,697	
Athol	411	46	88	43	25	120	
Clinton	340	35	147	34	31	104	
Fitchburg	1,502	120	394	82	71	340	
Leicester	203	23	40	15	17	64	
Leominster	576	55	131	30	25	83	
Medway	1,043	98	342	79	79	308	
Northbridge	689	96	408	43	105	230	
Shrewsbury	162	15	136	13	15	34	
Southbridge	1,605	178	493	86	131	447	
Templeton	845	112	343	97	69	224	
Worcester	4,803	503	1,847	212	439	743	
Other	0	0	239	0	0	0	
Total							
Lawrence Region	13,825	2,016	6,482	1,360	1,140	2,963	
Amesbury	620	49	270	72	69	106	
Beverly	627	83	350	34	45	119	
Billerica	430	55	190	74	43	125	
Chelmsford	160	30	169	42	16	25	
Concord	408	47	249	49	36	107	
Dracut	281	28	94	27	37	61	
Georgetown	107	6	34	27	6	46	
Gloucester	710	83	321	69	73	208	
Haverhill	1,362	256	705	49	104	241	
Lawrence	2,420	374	817	385	128	414	
Lowell	2,965	488	911	93	151	388	
Methuen	486	75	339	32	41	138	
Newburyport	372	60	243	41	29	100	
North Andover	121	3	154	21	15	41	
Peabody	733	89	571	113	156	403	
Salem	846	96	158	44	61	105	
Tewksbury	224	63	211	42	46	61	
Westford	73	3	52	8	5	19	
Wilmington	172	21	42	15	14	44	
Noburn	708	107	475	123	65	212	
Other	0	0	127	0	0	0	

Medical Only

	<u>AFDC</u>	<u>GR</u>	<u>Aged</u>	<u>AFDC Related</u>	<u>Disabled</u>	<u>Children Under 21</u>
Total						
Gr. Boston Region	22,601	3,875	12,166	2,074	2,419	4,740
Arlington	313	58	267	51	57	85
Brookline	300	109	394	42	71	70
Cambridge	1,953	362	675	90	120	245
Chelsea	1,251	168	182	35	62	157
Dedham	289	17	188	81	22	121
Everett	966	173	362	67	102	224
Framingham	1,089	183	806	108	114	289
Hingham	215	36	96	26	10	61
Hudson	150	15	75	5	10	34
Lynn	3,580	606	1,033	116	200	395
Malden	1,293	358	649	118	142	254
Marlborough	695	80	469	80	119	148
Medford	817	121	479	136	127	799
Melrose	235	49	176	48	35	82
Natick	237	27	222	39	49	70
Newton	415	68	686	43	69	84
Norwood	571	75	692	124	141	171
Quincy	1,682	266	1,207	139	190	310
Randolph	277	37	200	26	25	74
Reading	415	37	297	91	42	146
Revere	954	222	477	102	93	188
Somerville	2,199	427	750	111	222	507
Wakefield	214	22	201	25	28	59
Waltham	797	157	510	154	227	246
Watertown	287	34	231	32	44	75
Weymouth	1,144	119	399	134	51	261
Winthrop	263	49	286	51	47	94
Other	0	0	157	0	0	0
Total						
New Bedford Region	20,318	2,638	6,830	1,805	1,225	4,034
Attleboro	1,486	192	562	154	88	457
Barnstable	1,166	114	375	151	70	233
Brockton	4,632	661	1,610	217	270	586
Fairhaven	485	42	248	53	24	155
Fall River	3,151	441	1,145	246	198	585
Falmouth	783	109	223	135	31	171
Marshfield	603	45	100	97	38	166
Nantucket	54	20	39	7	8	15
New Bedford	4,009	608	1,011	288	198	575
Mental Hospitals	0	0	143	0	0	0
Oak Bluffs	79	3	46	22	6	30
Orleans	385	70	58	69	31	98
Plymouth	746	95	221	107	64	205
Rockland	527	38	316	100	41	187
Taunton	1,652	156	622	122	132	450
Wareham	560	44	111	37	26	121

